

EX PARTE OR LATE FILED



GTE Service Corporation
1850 M Street, N.W., Suite 1200
Washington, DC 20036
202 463-5200

June 9, 1999

RECEIVED

JUN 9 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

**Ex Parte: Universal Service – CC Docket No. 96-45 and Forward-Looking Mechanism
for Non-Rural LECs – CC Docket No. 97-160**

Dear Ms. Salas,

On June 8, 1999, Randy Patton, Joe Schroeder, and the undersigned, representing GTE, met with Dick Kwiatkowski, Craig Brown, Mark Kennet, Katie King, Bob Loube, Jeff Prisbrey, and Richard Smith of the Accounting Policy Division of the Common Carrier Bureau and David Gabel to discuss certain outside plant data GTE submitted on January 19, 1999. The attached material was used in the discussion. Under separate cover, GTE is requesting that certain material used in the meeting be treated as confidential.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, and original and one copy of this letter are being submitted to the Office of the Secretary. Please associate this notification with the record in the proceeding indicated above.

If you have any questions regarding this matter, please call me at (202) 463-5293.

Sincerely,

W. Scott Randolph
Director - Regulatory Matters

Attachment

cc: Dick Kwiatkowski
Craig Brown
Mark Kennet
Katie King
Bob Loube
Jeff Prisbrey
Richard Smith

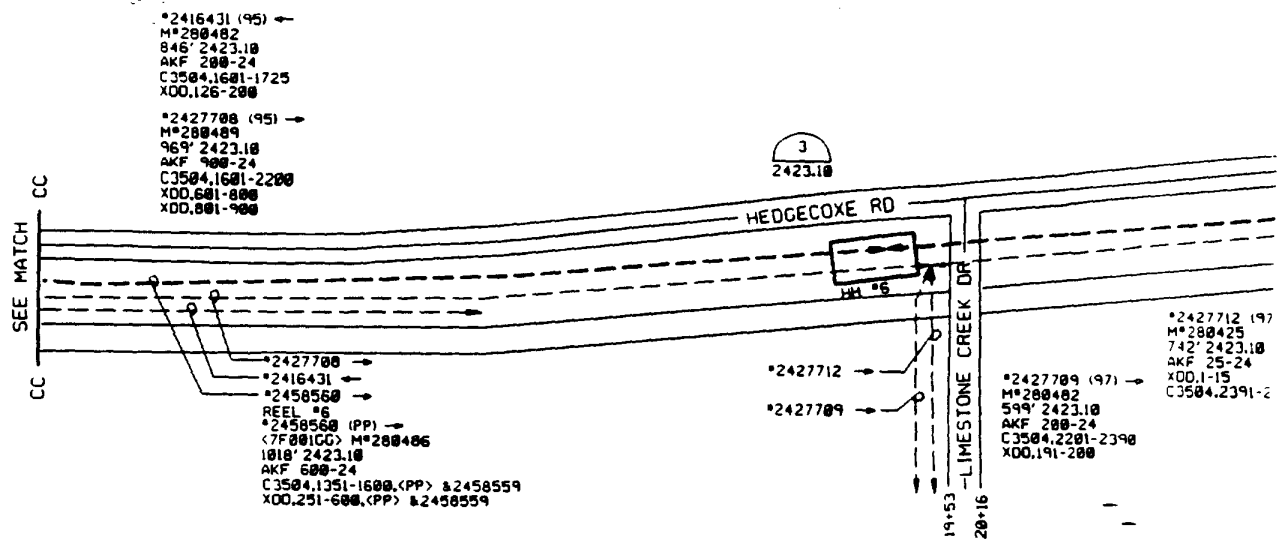
No. of Copies rec'd 2
List A B C D E

Table III & IV Mapping

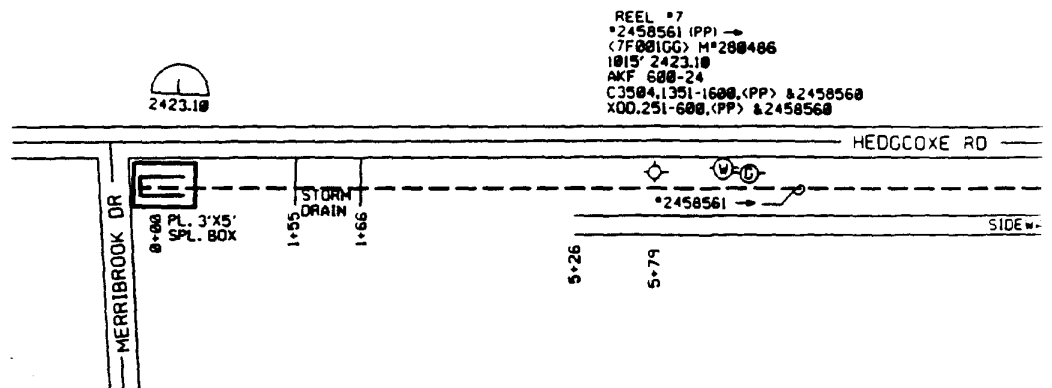
Material/ Labor	Mapping Criteria	Table III Values	Table IV Values
Material	Material Code	Copper Cable	Fiber Cable
	Account	242110 = Aerial - Copper 242210 = Underground - Copper 242310 = Buried - Copper	242120 = Aerial - Fiber 242220 = Underground - Fiber 242320 = Buried - Fiber
	Cost Element Code (CEC)	201/20A = Major Material 211/212/21A/21B = Minor Matl 272/27B/27C = Freight 271/27A = Tax 191/651/681/691 = Provisioning	201/20A = Major Material 211/212/21A/21B = Minor Matl 272/27B/27C = Freight 271/27A = Tax 191/651/681/691 = Provisioning
Labor	Account	242110 = Aerial - Copper 242210 = Underground - Copper 242310 = Buried - Copper	242120 = Aerial - Fiber 242220 = Underground - Fiber 242320 = Buried - Fiber
	Labor Groups (for GTE Labor)	011/021 = Planning/Engineering * 111 = Placement * 121 = Splicing	011/021 = Planning/Engineering * 111 = Placement * 121 = Splicing
	Cost Element Codes (for Contractor Labor)	30A/30B/30C = Placing * 30G/30H/30J = Engineering * 30K/30L/30M = Splicing	30A/30B/30C = Placing * 30G/30H/30J = Engineering * 30K/30L/30M = Splicing
		* NOTE: Engineering and Placing labor is only applicable to the Aerial and Underground accounts. In responding to the Buried cable section of the survey, only the splicing labor was utilized.	* NOTE: Engineering and Placing labor is only applicable to the Aerial and Underground accounts. In responding to the Buried cable section of the survey, only the splicing labor was utilized.

June 8, 1999

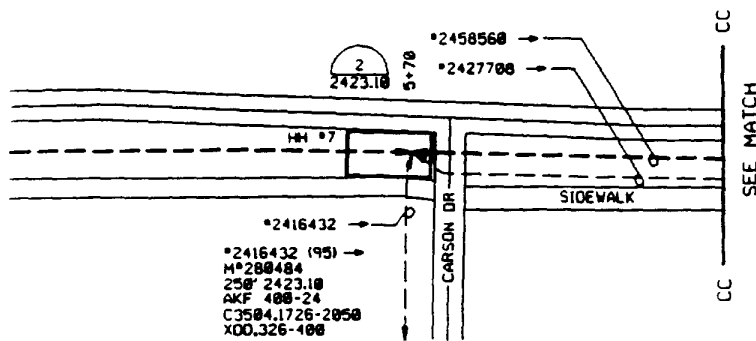
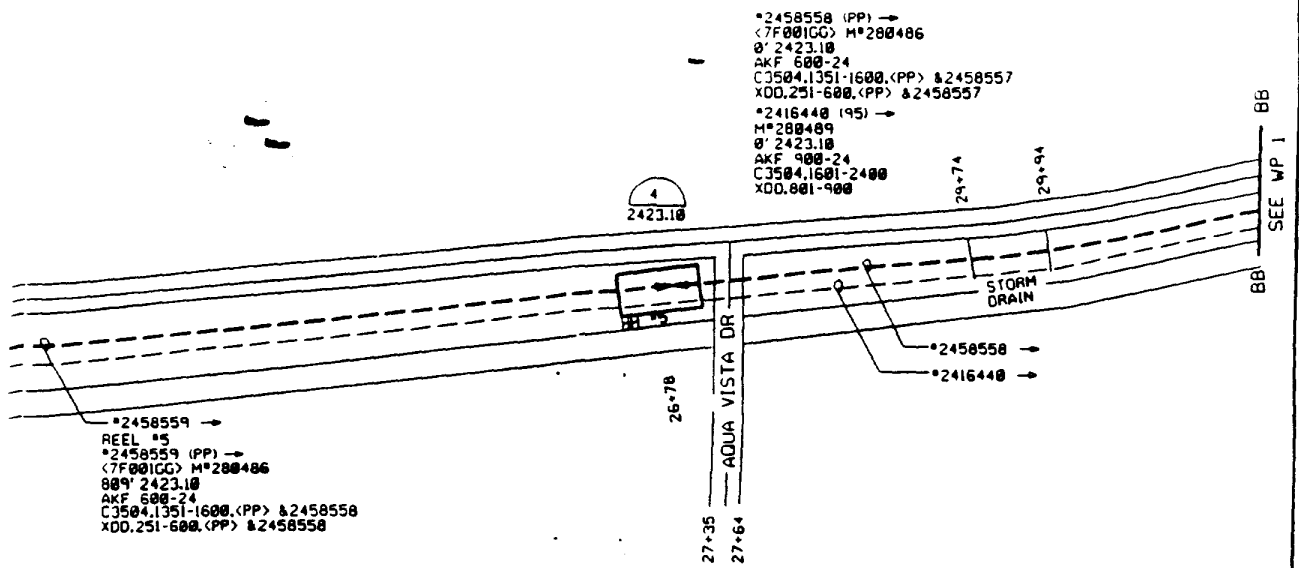
GTE FCC Structure and Cable Cost Survey



PLACE CABLE
EXIST. 4" PVC

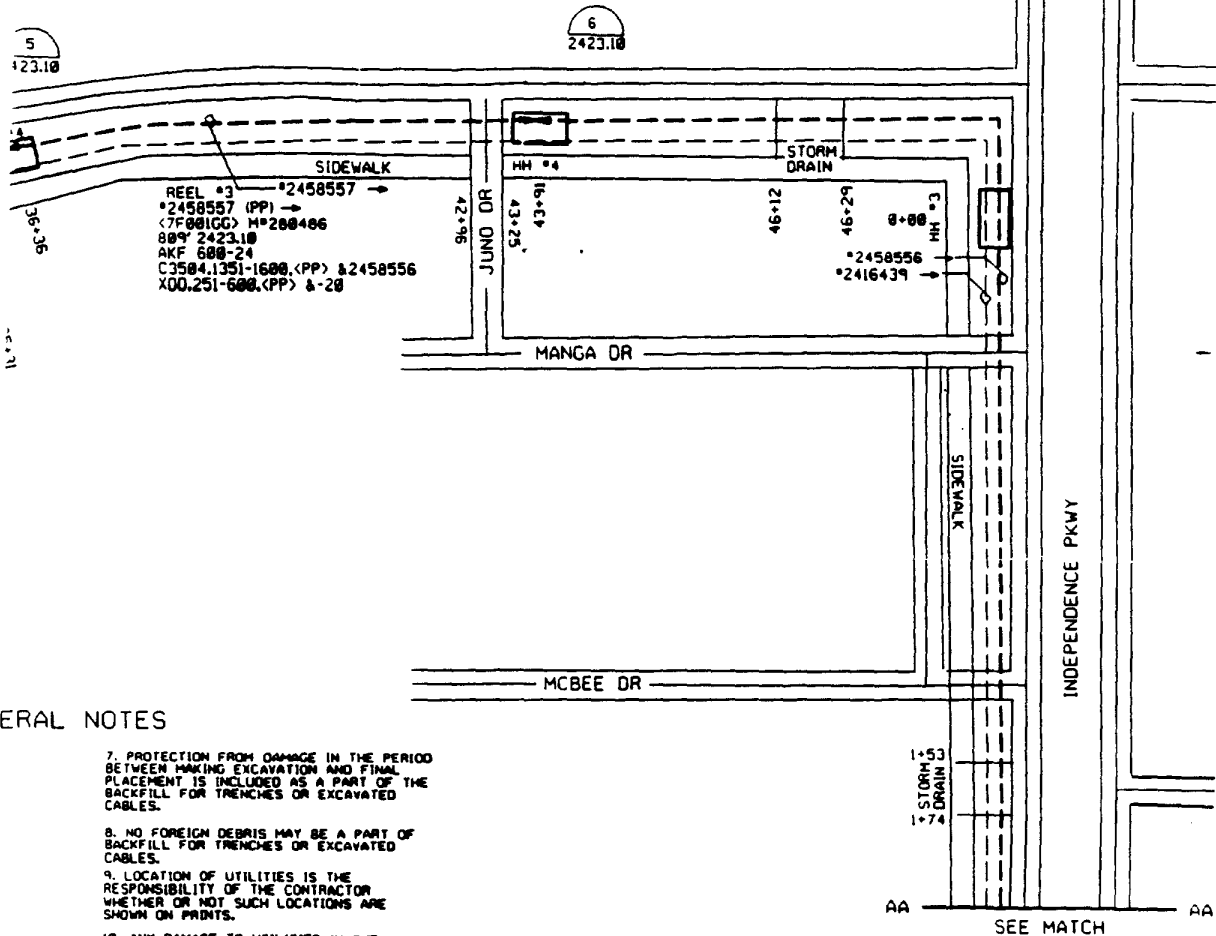


NOTE AREA—



GTE SII		AREA	STATE: TX
DIVISION: TEXAS AREA		EXCH.: 5668	REM. CD.: 000
W.C.: 6100	WO NO.: 7F001GG	CONTROL NUMBER: 015	
TITLE: DISTRIBUTION CA. N/O		TAX DST.:	
TWP:	RNG.:	SEC.:	SAL:
DATE: 07/24/97		REV. DATE:	SCALE: 1"=100'
DRWN	ENG	APRVD	PRINT

EXIST.



GENERAL NOTES

7. PROTECTION FROM DAMAGE IN THE PERIOD BETWEEN MAKING EXCAVATION AND FINAL PLACEMENT IS INCLUDED AS A PART OF THE BACKFILL FOR TRENCHES OR EXCAVATED CABLES.

8. NO FOREIGN DEBRIS MAY BE A PART OF BACKFILL FOR TRENCHES OR EXCAVATED CABLES.

9. LOCATION OF UTILITIES IS THE RESPONSIBILITY OF THE CONTRACTOR WHETHER OR NOT SUCH LOCATIONS ARE SHOWN ON PRINTS.

10. ANY DAMAGE TO UTILITIES IN THE COURSE OF THE WORK SHALL BE REPAIRED BY THE CONTRACTOR AT HIS OWN EXPENSE.

11. RIGHT-OF-WAY SHALL BE SMOOTHED WITH ALL VOIDS FILLED BEHIND PLOWING OR EXCAVATION OPERATIONS DAILY. UNDERGROUND OBJECTS ENCOUNTERED AND BROUGHT TO THE SURFACE DURING PLOWING OR EXCAVATING SHALL BE PROMPTLY REMOVED FROM THE RIGHT-OF-WAY.

12. ALL CHANGES OR DEVIATIONS MUST BE FIRST APPROVED BY GTE ENGINEERING.

13. PLACE ROUTE AND MARKER SIGNS AS DIRECTED BY GTEPS.

ALL THE UTILITIES FOR THE PROJECT

FOR

4

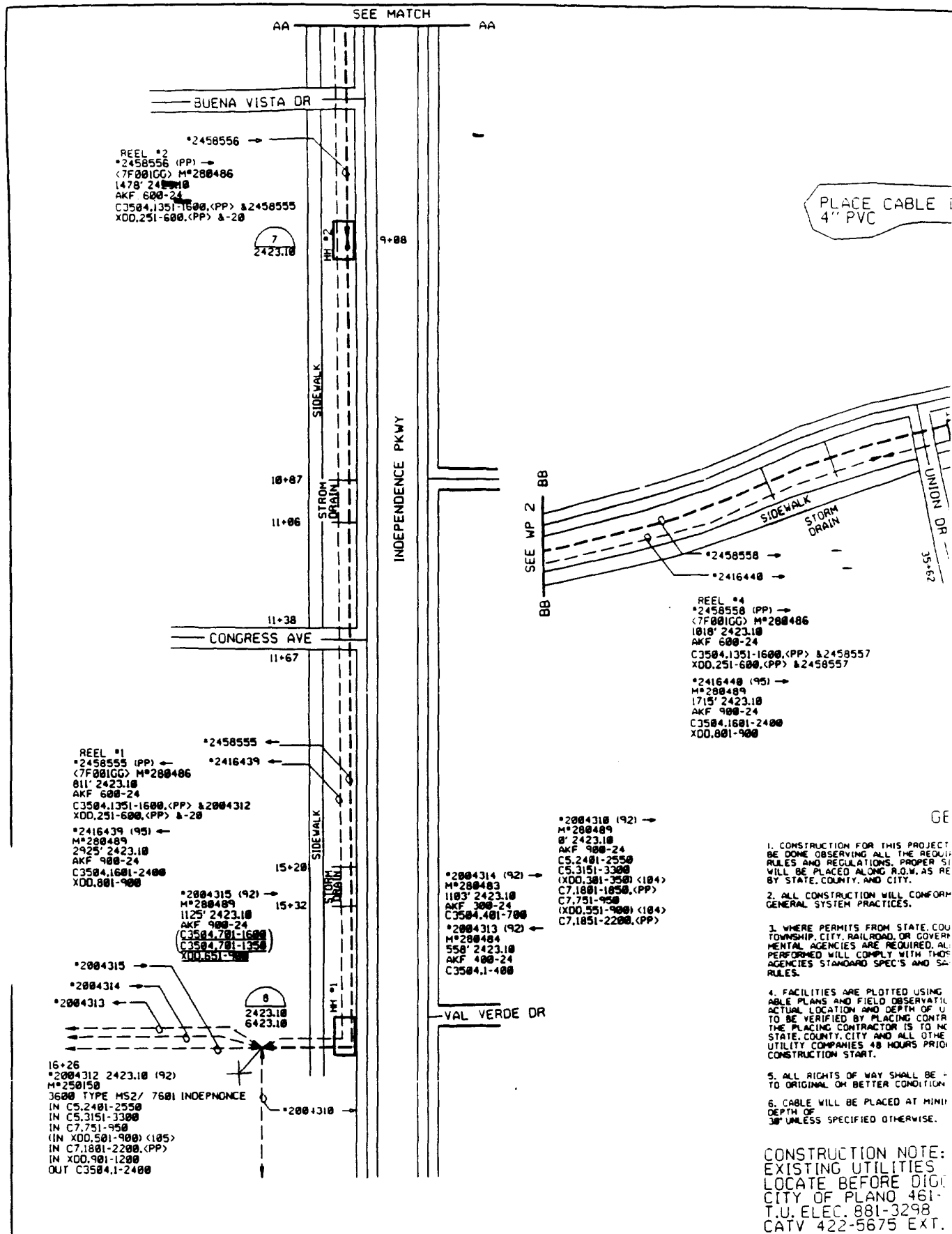
1 AREA
NG LONE STAR GAS (214) 741-3750
152 EXT. 5200

77

PL. NEW 600-24 CABLE IN EXISTING
4" PVC FROM X-CONNECT 3504 TO
HH AT INTERSECTION OF HEDGE COXE &
CARSON DR

D10204
D10206

GTE	SII	AREA	STATE: TX
DIVISION: TEXAS AREA	EXCH.: 5668	REM. CD.: 000	
W.C.: 6180	WO NO.: 7F001GG	CONTROL NUMBER: 015	
TITLE: DISTRIBUTION CA. N/O	TAX DST.:		
TWP:	RNG.:	SEC.:	SAL:
DATE: 07/24/97	REV. DATE:	SCALE: 1"=100'	
FILE: WPI	DRWN: GR	ENG: OM	APRVD: PRINT
			1 OF 2



NOTE AREA—



FCC Structure and Cable Cost Survey

Review

June 8, 1999

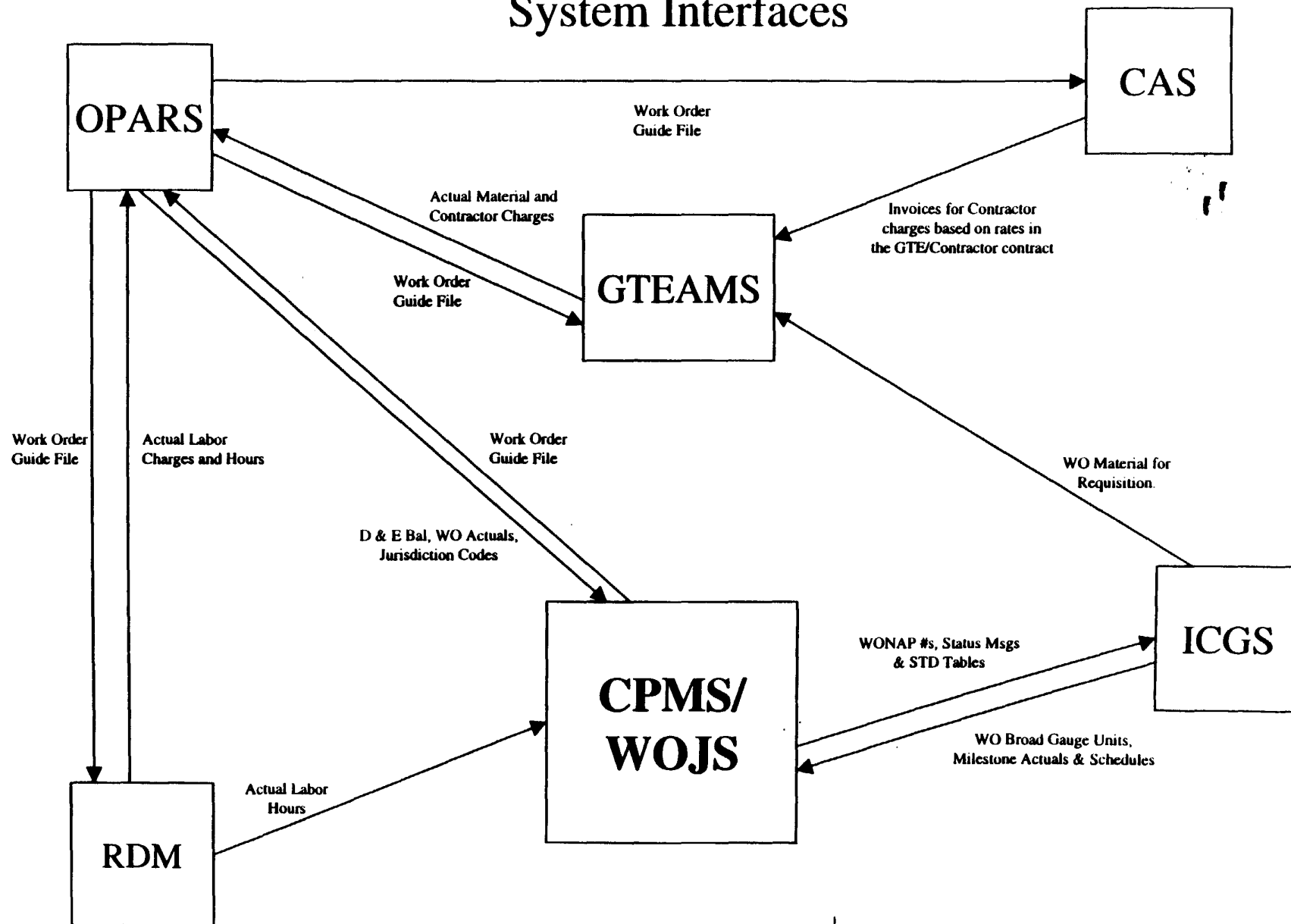
Process Overview

- The survey was compiled utilizing work order financial data where the units and dollars were summarized to company, plant, account, cost element code (CEC), month/year, material code/labor group level.
- In the case of the material data, the material code was utilized to group material into copper cable, fiber cable, or buried or underground structure (conduit, manhole, or pullbox). The account was used to classify the material as aerial, buried, or underground.
- If the material record was not associated with copper cable, fiber cable, or buried or underground structure, it was excluded from the survey.
- Likewise, if the labor record was not associated with engineering, placement, or splicing, it was excluded from the survey.

Data Source

- The data source for the survey was the Capital Program Management System (CPMS) Work Order Journal Subsystem (WOJS).
- The Work Order Journal System is GTE's official work order guide file. It is the system where all new work orders are initiated and is also the repository of all work order actual charges.
- The Work Order Journal System is utilized by GTE's other financial systems such as the GTE Advanced Material System (GTEAMS), the Reporting and Distribution Module (RDM), and the Contractor Administration System (CAS) to verify the validity and status of work orders.
- The Work Order Journal System receives monthly updates from the general ledger Operations Planning And Reporting System (OPARS) of actual charges incurred against work orders. The actual charges include material expenditures from the payment of purchase orders or the issuing of material from GTEAMS. The actual charges also include labor expenditures from the payment of invoices from contractors or from the reporting in RDM of actual time expended by the Network Services groups to complete work order tasks.
- Material dollars are stored in WOJS by work order, account, cost element code, transaction date, vendor code, and material code. Labor dollars are stored by work order, account, cost element code, contractor code, and labor group.

System Interfaces



June 8, 1999

GTE FCC Structure and Cable Cost Survey

System Acronyms

- CAS = Contractor Administration System
- CPMS/WOJS = Capital Program Management System / Work Order Journal System (GTE Work Order Guide File).
- GTEAMS = GTE Advanced Material System (Supply/Purchasing System)
- ICGS = Interactive Computer Graphics System (OSP Engineering/CPR system)
- RDM = Reporting and Distribution Module (Time Reporting System for GTE Employees).

Table I & II Mapping

Material/ Labor	Mapping Criteria	Table I Values	Table II Values
Material	Material Code	Conduit Manhole Pullbox	Conduit
	Account	2422 = Underground 2441 = Conduit Systems	2423 = Buried
	Cost Element Code (CEC)	201/20A = Major Material 211/212/21A/21B = Minor Matl 272/27B/27C = Freight 271/27A = Tax 191/651/681/691 = Provisioning	201/20A = Major Material 211/212/21A/21B = Minor Matl 272/27B/27C = Freight 271/27A = Tax 191/651/681/691 = Provisioning
Labor	Account	2441 = Conduit Systems	2423 = Buried
	Labor Groups (for GTE Labor)	011/021 = Planning/Engineering 111 = Placement 121 = Splicing	011/021 = Planning/Engineering 111 = Placement
	Cost Element Codes (for Contractor Labor)	30A/30B/30C = Placing 30G/30H/30J = Engineering	30A/30B/30C = Placing 30G/30H/30J = Engineering

June 8, 1999

GTE FCC Structure and Cable Cost Survey